

ers, their families will be very much affected by what we do.

In the meanwhile, I am absolutely confident that our common endeavors to make the most of our own relationships may be the most important thing we can do in the near term to further the dreams of all of our people.

I'd like now to close by inviting Prime Minister Chrétien up here by telling you that, as the President of the United States, one of the most important responsibilities I have and one of the great joys of my job is getting to know a huge number of the leaders of the countries of the world. And it's no small comfort to me—I must say this 20 times a year after I have a meeting with somebody from somewhere—I say, "You know, now that I've met him or her, I understand it's no accident that this person got to run that country." The selection systems in all these nations tend to produce people who have the capacity to do what they're supposed to do at the time they're required to serve. But I can tell you that in many, many years in public life I have rarely met anybody that I thought had the particular blend of strengths that Prime Minister Chrétien has, a man who cares passionately about ordinary people and the problems that they face and is also terrifically engaged in the great intellectual challenges that governing in this new time presents and that has the practical sense to build the bridges between the great challenges of the time and the ordinary concerns of real citizens. He is a very, very good leader for this time, and I am very glad to have him as our partner in trying to build our dreams for the 21st century.

Prime Minister.

NOTE: The President spoke at 9:56 a.m. in the Great Hall at the National Gallery of Canada. In his remarks, he referred to Prime Minister Jean Chrétien; Canadian Ambassador to the United States Raymond Chrétien; U.S. Ambassador to Canada James J. Blanchard; and Shirley Thomson, director, National Gallery of Canada. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

February 25, 1995

Since I became President, I have worked hard to fulfill our responsibility in this time of dramatic change to preserve the American dream for all of our citizens and to make sure this country enters the next century still the strongest nation on Earth.

Much of what we have to do, creating jobs, raising incomes, educating all of our citizens, promoting work over welfare, much of this work is harder because in the 12 years before I became President, Government made the problem worse, promoting inequality by over-taxing the middle class and not asking the wealthiest of our citizens to pay their fair share; reducing investments in our future, things that would grow jobs and incomes; and unbelievably, quadrupling the national debt.

We have to be responsible with our tax dollars. If we don't have a responsible budget, nothing else can get done. That's why with each budget I've submitted to Congress, we've cut Government, cut the deficit, and still invested more in the American people so that they can make the most of their own lives.

Two years ago when I submitted my first budget, some argued that it was impossible to dramatically reduce the deficit, increase investment in education and training and jobs, and create economic opportunities. Well, 2 years later, the facts have silenced the naysayers. We cut the deficit by over \$600 billion; our new budget cuts it another \$80 billion. Our 1993 economic plan cut over 300 domestic programs; this new budget eliminates or consolidates 400 more. And still we invested more in education, training, and jobs. Since I took office, the economy has created almost 6 million new jobs.

I remain committed to cutting the deficit further and to moving toward a balanced budget. The question is, what's the best way to do it? The United States Senate is about to vote on the so-called balanced budget amendment. The amendment doesn't really balance the budget, it simply requires Congress to come up with a drastic combination of cuts and tax hikes and to cram them in

by a date certain, no matter what the other economic impacts might be, unless 60 percent of both Houses vote to continue to deficit spend. Now, there are some serious problems with this approach, and I'd like to mention three of them.

First, we're fortunate that today our economy is strong. But it won't always be, and when the economy is weak, many people need a little extra help to get back on their feet. Now, when more people are out of work, Government spending on things like job training goes up, and tax revenues go down because there aren't as many taxpayers. At a time like this, the last thing the American people need is a tax hike or a cut in job training or an arbitrary cut in our national defense. But the balanced budget amendment will force us to make just those decisions every time the economy is weak. That kind of extreme fiscal policy makes a small recession worse. In its most exaggerated form, it's what helped to turn the economic slowdown of the 1920's into the Great Depression of the 1930's. According to the Treasury Department, if a balanced budget amendment had been in effect in 1992 during the height of the last recession, another one and a half million Americans would have been out of work.

The second problem is this: The Constitution clearly establishes that budgetary choices should be made by elected representatives. But under this balanced budget amendment, budget decisions could end up being made by Federal judges, who certainly aren't elected. That's why an army of constitutional scholars from every part of the political spectrum, from conservative Robert Bork to liberal Laurence Tribe, have advised the United States Senate to defeat this amendment. We do not want budget decisions affecting tens of millions of Americans being made by unelected Federal judges.

The third problem is this: Interest payments on our debt, run up between 1981 and 1993 before I took office, are so big now that paying our interest will soon be a bigger part of the budget than the defense budget. What that means is that every time the Federal Reserve raises interest rates to hold down inflation, that increases the deficit. Since this economic recovery got going, there have been

seven interest rate increases; the last few have added more than \$100 billion to our deficit. Now, this balanced budget amendment, therefore, could give the unelected Federal Reserve the power not only to raise your interest rates but also to cut spending on things like Head Start, childhood immunization, and educational opportunities for all of our children. I don't think that's a very good idea.

We do need to keep reducing the deficit. We need to bring the budget into balance on a regular basis. What does this require? It requires tough decisions. Our administration has made those decisions. Except for the interest payments we're making on the debt, our administration is running a surplus for the first time in over 25 years. We are going to have a balanced budget for the first time in over 25 years next year, except for the interest payments on the debt run up just between 1993 and 1981, in the 12 years before I came here. That's because we've made tough decisions. Do we need to make some more? You bet we do.

This new Congress has been here over 50 days, but there is still no serious explanation of how the budget is going to be balanced by 2002 coming out of the new leadership, even though they support balancing the budget by then. Why is that? That's because these decisions are tough. It's not easy to make the cuts we've already made. It's not going to be easy to make the cuts we've proposed. It's not going to be easy to go beyond that. But we have to do it.

The Federal budget is a statement about our priorities as a nation. The American people have a right to know what's going to be cut, how it's going to affect them. They have a right to know that before a balanced budget amendment is adopted. They have a right to know it if we don't adopt a balanced budget amendment and we keep doing the responsible thing to reduce the deficit. Only recently has the new Republican Congress started to make its priorities clear. I want to work with them on this, but I believe some of their intentions run counter to the best traditions and the best interests of our people.

Many of these Republican leaders seem to be saying that we ought to cut programs

for children to pay for a capital gains cut for upper income people. I don't believe we should reduce the school lunch program, but some Republicans have proposed to do exactly that. Just to take that program for an example, it's done a world of good for millions of kids from all backgrounds, all across America, since Harry Truman was President. "If it ain't broke, don't fix it." That used to be the conservative credo; it ought to be again.

We shouldn't dramatically increase the cost of college tuition for millions of students either. But Republicans have proposed to eliminate the student loan subsidy and start charging interest on loans to low-income students while they're still in college. That could increase the cost of their college education by more than 20 percent. We need more people going to college at lower cost, not fewer people going to college at higher cost.

And finally, we must uphold our responsibility to care for elderly Americans. It's important to me and most people in our country to do this. But Republicans are suggesting dramatic cuts in Medicare and other services to our elderly citizens.

These are some of the targets for cuts if a balanced budget amendment is adopted. I don't think they're the right choices for America. I came here to stand up for our children, for people who work hard to make the most of their lives, for people who've worked hard and played by the rules all of their lives. I don't intend to let them down.

We must continue to reduce the deficit and to strengthen our economic security. We must continue to cut Government and make it work better. But we must be careful, not careless; lean, not mean. The only way to preserve the American dream for our children is to make tough choices and hard decisions. We can't avoid our responsibility by legislating those choices away and giving them to people who were not elected to make these decisions.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Statement on the Trade Agreement With China

February 26, 1995

I am pleased that the United States and China today signed an agreement on intellectual property, culminating months of hard work by our negotiators and their Chinese counterparts.

This is a strong agreement for American companies and American workers. China will undertake immediate steps to crack down on piracy, enforce intellectual property rights, and provide more open access for U.S. exporters to the burgeoning China market. This agreement will eliminate practices that have cost Americans over \$1 billion a year in high value exports. It will mean thousands of jobs for Americans in key industries, including computer software, pharmaceuticals, agricultural and chemical products, books and periodicals, and audio visual products.

U.S. action in China is part of the broader economic strategy of my administration to create high paying jobs for Americans. On behalf of U.S. workers, we have used every tool at our disposal to fight foreign barriers to competitive U.S. exports.

This new agreement also promotes broader goals in China. Greater respect for rule of law and greater access to intellectual property products both promote a more open Chinese society.

Remarks on Signing the Executive Order to Facilitate Payment of Child Support and an Exchange With Reporters

February 27, 1995

The President. I'm glad to be joined here by the members of this administration who are active in child support enforcement and by advocates of tougher child support enforcement.

Today the Executive order I have just signed is another important step in our efforts to bring the Federal Government in line with the basic values of ordinary Americans. People who bear children and bring them into this world have an absolute responsibility to do their best to take care of them. And